

AMENDED IN SENATE JUNE 30, 2010

CALIFORNIA LEGISLATURE—2009–10 SIXTH EXTRAORDINARY SESSION

SENATE BILL

No. 19

Introduced by Senator Florez

May 26, 2010

An act to add Section 19567 to the Revenue and Taxation Code, relating to the Franchise Tax Board.

LEGISLATIVE COUNSEL'S DIGEST

SB 19, as amended, Florez. Franchise Tax Board: tax expenditure reporting.

Existing law authorizes the Franchise Tax Board, as part of its administrative duties with respect to the collection of taxes, to furnish specified taxpayer information. Existing law generally provides that all taxpayer information obtained by the board is to remain confidential. Existing law provides exceptions to this general requirement.

This bill would, notwithstanding existing law, require the Franchise Tax Board to annually compile specified information relating to a *publicly traded* corporation receiving credits of \$20,000 or more, allowed from corporate tax expenditures, as provided. The bill would require the board to include the information in the California Income Tax Expenditure Report and on the state ~~transparency~~ *Reporting Transparency in Government* Internet Web site.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 19567 is added to the Revenue and Taxation Code, to read:

19567. (a) For purposes of this section, ~~“corporate tax section:~~
(1) *“Corporate tax expenditure”* means any credit allowed under Part 11 (commencing with Section 23001) or otherwise available to a corporation.

(2) *“Publicly traded corporation”* means a corporation with securities that are either listed or admitted to trading on a national or foreign exchange, or are the subject of two way quotations, such as bid and asked prices, that are regularly published by one or more broker-dealers in the National Daily Quotation Service or similar service.

(b) Notwithstanding any other law, the Franchise Tax Board shall annually compile all of the following information, commencing with information based on the 2010 taxable year:

(1) The name, mailing address, and California corporation number when applicable of ~~any taxpayer~~ a publicly traded corporation receiving credits of twenty thousand dollars (\$20,000) or more allowed from corporate tax expenditures.

(2) The amount claimed by ~~each taxpayer~~ a publicly traded corporation for the corporate tax expenditure.

(c) The information collected by the Franchise Tax Board pursuant to subdivision (b) *and this subdivision* shall be included in a timely manner on the state Reporting Transparency in Government Internet Web site.

~~(1) The information shall be compiled on a credit-by-credit basis and searchable by taxpayer name, corporation number when available, expenditure type, and key word.~~

~~(A) The corporation’s name.~~

(1) The following information shall be compiled on a credit-by-credit basis and searchable by a publicly traded corporation’s name, corporation number when available, expenditure type, and key word:

(A) The publicly traded corporation’s name.

(B) The California corporation number, when applicable.

(C) The name of the tax credit claimed.

(D) The amount of the tax credit claimed.

(E) A description of the initial justification for the expenditure.

- 1 (2) All data shall be available for download by the public on
- 2 the state Reporting Transparency in Government Internet Web site
- 3 in Excel or comparable spreadsheet format.

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